

UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

In re:

**ARTHUR MACHINERY, INC.**

**Debtor.**

**Chapter 11**

**Case No. 09-11787**

**Hon. Carol A. Doyle**

**Hearing Date: July 2, 2009**

**Hearing Time: 10:00 a.m.**

**NOTICE OF MOTION**

TO: See Attached Service List

**PLEASE TAKE NOTICE** that on **July 2, 2009 at 10:00 a.m.** or as soon thereafter as counsel may be heard, I shall appear before the **Honorable Carol A. Doyle**, Bankruptcy Judge, in the room usually occupied by her as a Courtroom in the U.S. Courthouse, 219 South Dearborn Street, Chicago, Illinois, Room 742, or in her absence, before such other Judge who may be sitting in her place and stead and hearing bankruptcy motions, and shall then and there present the **Motion For The Entry Of An Agreed Order Extending The Term And Increasing The Amount Of The Debtor's Post Petition Financing Under The Final Order Authorizing Post Petition Financing**, a copy of which is attached and herewith served upon you, and shall pray for the entry of an order in conformity with the prayer of said pleading.

**AT WHICH TIME AND PLACE** you may appear if you so see fit.

Steven B. Towbin (#2848546)  
Ira Bodenstein (#3126857)  
Vipin R. Gandra (#6289540)  
Shaw Gussis Fishman Glantz  
Wolfson & Towbin LLC  
321 North Clark Street, Suite 800  
Chicago, Illinois 60654  
(312) 541-0151

**CERTIFICATE OF SERVICE**

Vipin R. Gandra certifies that he caused to be served a true copy of the above and foregoing notice and attached pleadings upon the attached Service list in the manner so indicated on this 29<sup>th</sup> day of June, 2009.

/s/ Vipin R. Gandra

**SERVICE LIST**

**VIA OVERNIGHT DELIVERY**

American Chartered Bank  
c/o Valerie Freireich  
Chuhak & Tecson, PC  
30 South Wacker Drive, 26th Floor  
Chicago, Illinois 60606

John Roth  
Haas Automation, Inc.  
2800 Sturgis Road  
Oxnard, CA 93030

Tom Lattie  
Doosan Infracore America Corp  
8 York Avenue  
West Caldwell, NJ 07006-6411

Tom Haughey  
Star CNC Machine Tool Corp  
123 Powerhouse  
Roslyn Heights, NY 11577

Mr. Robert Dunlap  
Milltronics Manufacturing Co.  
1400 Mill Lane  
Waconia MN 55387

Dale Hawkins  
Acra Machinery, Inc.  
2050 N. Durfee Ave.  
S. El Monte, CA 91733

Kathryn Marie Gleason  
U.S. Trustee  
219 S. Dearborn, Ste. 873  
Chicago, IL 60606

Ryan Van Winkle  
CNC Associates, Inc.  
File 51160  
2800 Sturgis Road  
Oxnard, CA 93030

Mr. Anton Hirsch  
Illinois Machine Products, LLC  
6203 Material Ave., #12  
Loves Park, IL 61111

Mike Cayley, Sr.  
Midaco Corporation  
2000 E. Touhy Avenue  
Elk Grove Village, IL 60007

Tom Williams  
Equilease Financial Services, Inc.  
One Harbour Place, Suite 450  
Portsmouth, NH 03801

Joan Birdsong  
Bennett Motor Express, LLC  
1001 Industrial Parkway  
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Steve Benedict  
Staubli Corporation  
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Karen Bright  
Buck Chuck Co.  
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2155 Traversefield Dr.  
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4415 W. Harrison Street  
Hillside, IL 60162

Terry Aschenbrenner  
DTS America, Inc.  
427 East 4th Street  
East Dundee, IL 60118

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**Hon. Carol A. Doyle**

**Hearing Date: July 2, 2009**

**Hearing Time: 10:00 a.m.**

**MOTION FOR THE ENTRY OF AN AGREED ORDER EXTENDING TERM AND  
INCREASE THE AMOUNT OF THE DEBTOR'S POST PETITION FINANCING  
UNDER THE FINAL ORDER AUTHORIZING POST PETITION FINANCING**

Pursuant to 11 U.S.C. §§ 364(c) and 364(d), Fed. R. Bankr. P. 4001(c), Local Rule 4001-2, and the Final Order Authorizing Post Petition Financing [Dkt. No. 70] entered by this Court on May 15, 2009 (the "Final Order"), Arthur Machinery, Inc. (the "Debtor"), with the consent and approval of American Chartered Bank ("ACB"), hereby requests that this Court enter an agreed order substantially in the form attached hereto as Exhibit 1 ("Agreed Financing Order") extending the term and increasing the amount of the Debtor's post petition financing under the Final Order, in accordance with the Budget attached to the Agreed Financing Order as Exhibit A.

In support of this motion (the "Motion"), the Movant states as follow:

**I. INTRODUCTION**

**A. The Debtor's Chapter 11 Case**

1. On April 2, 2009 (the "Petition Date"), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Since then, the Debtor has remained in possession of its assets and has continued to operate its business as a debtor in possession in accordance with 11 U.S.C. §§ 1107 and 1108. The Debtor has all of the rights and powers of a trustee in bankruptcy pursuant to 11 U.S.C. § 1107(a).

2. On April 15, 2009, the United States Trustee appointed an Official Committee of Unsecured Creditors (the "Committee") in this case.

3. This Court has jurisdiction to hear this matter and enter a final order granting the relief requested herein pursuant to 28 U.S.C. §§ 1334 and 157(b)(2) and Internal Operating Procedure 15(a) of the United States District Court for the Northern District of Illinois.

**B. The Debtor's Postpetition Financing**

4. As reflected in the Final Order, ACB agreed to provide a postpetition credit facility (the "DIP Facility") to be used by the Debtor to operate its business in the ordinary course and to facilitate the sale of its assets on a going-concern basis. Pursuant to section 6 of the Final Order, the Debtor's ability to borrow is terminated on June 26, 2009. Additionally, under the Final Order, the maximum amount of approved borrowing is \$747,550.00.

**C. Relief Requested**

5. The Debtor is in the process of consummating a sale of substantially all of the assets in its Florida operation as well as certain Illinois assets which was approved by this Court in its Order Authorizing Sale of Assets Outside the Ordinary Course of Business Free and Clear of Liens, Claims and Encumbrances [Dkt. No. 126]. While the Debtor continues to liquidate the remainder of its Illinois assets, the Debtor requires continued access to the DIP Facility. ACB has agreed to extend the Debtor's ability to borrow under the DIP Facility to and through August 28, 2009, and to increase the amount the Debtor is authorized to borrow, subject to this Court's approval, to \$805,000.

**D. Basis for Relief**

6. The Debtor incorporates by reference, as if fully stated herein, the legal authority set forth in the Debtor's Motion for Authority to Borrow Funds and Request for Related Relief

(the “Financing Motion”) filed with the Court on April 20, 2009 [Docket No. 24]. In addition, the Debtor incorporates the disclosures required by Local Bankruptcy Rule 4001-2(A)(2) made in the Financing Motion. With respect to the disclosures required by Local Rule 4001-2(A)(3), to the extent the terms of the proposed Agreed Financing Order deviate from the terms of the Final Order previously entered by the Court, the following is a summary of the provisions the Debtor anticipates being modified by the Agreed Financing Order: ACB has agreed to lend the Debtor a total of \$805,000; and the June 26, 2009 maturity date for the DIP Facility shall be extended to August 28, 2009. Under the Final Order, the Committee and any other party in interest other than the Debtor had until July 27, 2009 (the “Prosecution Deadline”) to file and to serve upon counsel for ACB objections, claims, causes of action or complaints asserted on behalf of itself, the Debtor and the bankruptcy estate respecting various claims and causes of action as described in the Final Order. The proposed Agreed Financing Order would also extend the Prosecution Deadline from July 27, 2009 to August 28, 2009. In addition, and as required to be disclosed by Local Rule 4001-2(A)(4), the Debtor will attach to its proposed Agreed Financing Order the Budget covering the time period during which the Debtor’s financing shall remain in effect, in form attached to the proposed Agreed Financing Order as Exhibit A.

## II. NOTICE

7. The Debtor has served this Motion and notice of the hearing hereon by overnight delivery on the Office of the United States Trustee, ACB, counsel to the Committee, the Debtor’s twenty largest unsecured creditors, and all other parties having requested notice in the Debtor’s Case. The Debtor believes that such notice is appropriate and requests that any further notice of this motion be waived pursuant to Fed. R. Bankr. P. 2002(a)(3), 2002(i), and 9006(c).

**III. CONCLUSION**

WHEREFORE, the Debtor requests the entry of a final order approving this Motion specifically: (i) authorizing the Debtor to borrow funds on a final basis on substantially the same terms as the draft Agreed Financing Order attached hereto; and (ii) granting such other and further relief as is just and to which the Debtor may be entitled under the circumstances.

Respectfully submitted,

ARTHUR MACHINERY, INC.

Dated: June 29, 2009

By: /s/ Vipin R. Gandra  
One of its attorneys

Steven B. Towbin (#2848546)

Ira Bodenstein (#3126857)

Vipin R. Gandra (#6289540)

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